



General Assembly

February Session, 2000

Raised Bill No. 5716

LCO No. 1945

Referred to Committee on Judiciary

Introduced by:
(JUD)

An Act Concerning Escrow Arrangements.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (a) For the purposes of this act:

2 (1) "Escrow arrangement" means a written or oral agreement under
3 which money, documents, instruments or other property is delivered
4 to a person to be held by that person for disbursement or delivery in
5 accordance with the agreement of the parties upon (A) the happening
6 of a certain specified event or events, or (B) the delivery to the escrow
7 holder of money, documents, instruments or other specified property
8 with a subsequent disbursement or delivery of such money,
9 documents, instruments or other specified property received by the
10 escrow holder in accordance with the agreement of the parties.

11 (2) "Escrow holder" means the person to whom, pursuant to an
12 escrow arrangement, money, documents, instruments or other
13 property is delivered and by whom money, documents, instruments or
14 other property is subsequently disbursed or delivered pursuant to the
15 terms of the escrow arrangement.

16 (b) No escrow arrangement shall be ineffective, invalid or
17 unenforceable because the escrow holder is the attorney-at-law, law
18 firm or agent for one or more parties to the escrow arrangement,
19 whether in connection with the matter to which the escrow
20 arrangement is related or otherwise, provided the escrow holder is,
21 pursuant to the agreement of the parties, to receive and hold the
22 money, documents, instruments or other property in an independent
23 capacity and not in the capacity as the attorney-at-law, law firm or
24 agent of one or more of the parties to the escrow arrangement.

25 Sec. 2. This act shall take effect from its passage and shall be
26 applicable to any escrow arrangement in existence on or after said
27 date.

JUD Committee Vote: Yea 39 Nay 0 JF